

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)
)
Application by Verizon New Jersey Inc.,)
Bell Atlantic Communications, Inc.)
(d/b/a Verizon Long Distance), NYNEX)
Long Distance Company (d/b/a Verizon) **CC Docket No. 01-347**
Enterprise Solutions), Verizon Global)
Networks Inc., and Verizon Select)
Services Inc., for Authorization to Provide)
In-Region, InterLATA Services in New Jersey)

**REPLY COMMENTS
REGARDING APPLICATION BY VERIZON NEW JERSEY, INC.
FOR AUTHORIZATION TO PROVIDE IN-REGION,
INTERLATA SERVICES IN NEW JERSEY**

SUBMITTED BY

Keep America Connected
American Association People with Disabilities
National Grange of the Order of Patrons of Husbandry
National Indian Education Association

February 1, 2001

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I. INTRODUCTION

The undersigned public interest, minority and consumer organizations hereby support the Application by Verizon New Jersey Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks, Inc., and Verizon Select Services, Inc., (hereinafter referred to as Verizon) filing requesting FCC authorization to provide in-region, interLATA services in New Jersey. We urge the Commission to undertake an expeditious review and approval of Verizon's 271 application.

We are brought together in our support for Verizon's New Jersey 271 application as being in the public interest and of real benefit to telecommunications consumers in the State of New Jersey. The primary goal of the Telecommunications Act of 1996 is to promote competition in the telecommunications marketplace. Verizon has demonstrated that it has met the tests of the Act and its entry as a long distance competitor will open the floodgates of competition in New Jersey.

II. STATEMENT OF INTERESTS

Keep America Connected! (KAC) is an organization comprised of groups whose demonstrated goals involve promoting a variety of telecommunications issues. The primary goal of KAC is that regardless of income, race, disability, age, ethnicity or geographical location, affordable access to the use of the modern telecommunications infrastructure and services should be available. This goal is best achieved through the rapid development of a fully competitive marketplace that ensures that consumers across the nation will have access to more services at lower prices.

American Association of People with Disabilities (AAPD) is a national membership organization dedicated to promoting the economic and political empowerment of all people with disabilities; educating businesses and the general public about disability issues; and providing membership benefits, such as financial services and product discounts. AAPD serves as a national voice for change in implementing the goals of the Americans with Disabilities Act -- equality of opportunity, full participation, independent living, and economic self-sufficiency.

National Grange of the Order of Patrons of Husbandry is the nation's oldest general agricultural organization, founded in 1867. It has grassroots units in 3,600 local communities in 37 states, with nearly 300,000 members. Its activities include and serve farm and non-farm, rural families and communities on a wide variety of economic, educational, legislative and family issues. National Grange is a genuine grassroots, bipartisan, political advocacy organization. Through its unique resolution system, the Grange reflects the needs and desires of rural communities across the country. Granges participate in the political process at the local, state, and federal level, with direction emanating from the local level. The goal of Grange advocacy is the well-being and prosperity of rural America.

National Indian Education Association (NIEA) supports traditional Native cultures and values, to enable Native learners to become contributing members of their communities, to promote Native control of educational institutions, and to improve educational opportunities and resources for American

Indians, Alaska Natives, and Native Hawaiian's throughout the United States NIEA has promoted the interests of Native Americans in telecommunications to Congress, before the FCC and in the courts.

III. REPLY COMMENTS

The requirements of Section 271(c)¹ include the 14-point competitive checklist for access and interconnection on fair and nondiscriminatory terms, as well as nondiscriminatory access to Verizon's Operations Support Systems (OSS) and the existence of appropriate OSS performance measures and remedies. Verizon's application follows diligent work to meet this 14-point competitive checklist specified in the Telecommunications Act of 1996. This diligent work is evidenced by the New Jersey Board of Public Utilities (BPU) finding that "[a]fter a comprehensive and extensive study, Verizon demonstrated its compliance with the Federal Telecommunications Act."²

The Commenters unequivocally support Verizon's application for Section 271 authority in New Jersey. Verizon's entrance as a long distance competitor will open the floodgates of competition in New Jersey. Competition will bring greater choice and lower prices to all consumers, including those currently underserved by telecommunication services. For example, as the New Jersey State Grange noted in their Comments, "most rural residents of New Jersey are still being served by only one

¹ Telecommunications Act of 1996, Public Law 104. Hereinafter referred to as the "Act" or the "Telecommunications Act."

² New Jersey Board of Public Utilities President Connie O. Hughes. Press Release (January 9, 2002).

telephone service provider."³ What is more, those in rural and other underserved areas often have to dial long distance toll calls to connect to the Internet, while other in urban and suburban areas do not. Verizon's entry into the long distance market will encourage greater build out of advanced telecommunications services and better connect these consumers who need and deserve access to this technology.

With Verizon positioned to enter the New Jersey long distance market, the Federal Communications Commission (the Commission) has received requests from Verizon competitors to deny Verizon's New Jersey 271 application. The Commenters wish to address some of the claims presented before the Commission.

Competitors claim that that Verizon has not demonstrated that it has completed necessary steps required by law to open fully and permanently the local telecommunications market. As required by Section 271(d)(2)(A) of the Act⁴, the Department of Justice (DOJ) has filed its Written Evaluation of the application filed before the Federal Communications Commission (the Commission) by Verizon. The DOJ states that it "...recommends approval of Verizon's application for Section 271 authority in New Jersey."⁵ It is the mission of the DOJ's Antitrust Division to promote and protect the competitive process, and their statement clearly signals that Verizon has demonstrated that it has completed necessary steps required by law to open fully and permanently the local telecommunications market.

³ New Jersey State Grange of the Order of Patrons of Husbandry, Filing with the Federal Communications Commission, CC Docket No. 01-347, January 12, 2002

⁴ Telecommunications Act of 1996, Public Law 104-104 (S.652).

⁵ Evaluation of the United States Department of Justice, CC Docket No. 01-347, January 28, 2002, p.2.

Competitors also claim that Verizon has implemented a severe price squeeze in the New Jersey residential markets, substantially foreclosing the development of residential competition. Contrarily, DOJ definitively states, "...the record in this matter suggests Verizon has succeeded in opening local markets in New Jersey."⁶ Additionally, Charles A. James, Assistant Attorney General in charge of the Antitrust Division states, "Conditions in New Jersey telecommunications markets now appear favorable to fostering competition."

Competitors claim that Verizon non-recurring charges stand as substantial barriers to competitors, Verizon discriminates in favor of its own customer and that Verizon has attempted to bar competitors from the NJ local exchange market. The New Jersey BPU hired KPMG Consulting, a comprehensive, independent third-party, to audit Verizon's systems. KPMG's findings do not support Verizon's competitors' claims. The firm evaluated 536 different aspects of Verizon's systems that competitors use when they switch local customers' service from Verizon. KPMG's real-world tests found that Verizon met or exceeded all the federal requirements for FCC approval as evidenced by the following:

1. More than 560,000 local phone lines are served by competitors;
2. About 100 active competitive local exchange carriers (CLECs);
3. More than 160 agreements allowing competitors to interconnect with Verizon's network to offer alternative telecom services;
4. Nearly 90 percent of Verizon's residential lines and more than 94 percent of Verizon's business lines can be accessed by competitors through arrangements in which

⁶ Evaluation of the United States Department of Justice, CC Docket No. 01-347, January 28, 2002, p.2.

their equipment is collocated in Verizon's switching offices;

5. A grade of "A-plus" for on-time performance (95 percent or better) based on BPU approved-measures for providing a variety of services for CLECs, including interconnection trunks, arrangements to physically locate competitors' equipment in Verizon's facilities, leased switched lines, stand-alone lines, changes in customers' lines from one carrier to another, installation appointments for DSL-capable lines, and installation of resale orders.

As in Verizon's OSS testing in New York, Massachusetts and Pennsylvania, Verizon received high marks in a comprehensive test of its back office systems in New Jersey. KPMG Peat Marwick LLP's report submitted to the BPU documents Verizon's systems as performing extremely well. The testing demonstrated that competitors can compete effectively in New Jersey.

The Commenters believe the Verizon application should be approved on its merits as endorsed by the New Jersey BPU; however, we realize that the Commission must review and consider the DOJ's evaluation on Verizon's filing. Verizon and the New Jersey BPU have worked diligently through extensive testing and evaluation to ensure that New Jersey is open to competition and that Verizon has met the requirements to provide long distance services throughout the State of New Jersey. The work of the Verizon in New York demonstrates Verizon's commitment of both to meet the letter and spirit of the Telecommunications Act of 1996. This application should not be denied due to minor technical considerations, especially when the DOJ states that there has been significant competitive entry in the New Jersey local telecommunications market.

The denial of Verizon's application is not in the public interest and will delay, by a considerable period of time, the entry of a new and major competitor for long distance services in New Jersey. The Commenters understand and appreciate the Commission's role in carefully examining this application, but the Commission should not use this process to inhibit competition in this dynamically changing marketplace. By doing so, the benefits of increased competition and choice for all telecommunications consumers will not be realized.

IV. CONCLUSION

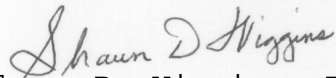
Finally, the Commenters point out that the Telecommunications Research and Action Center (TRAC), a non-profit organization with the primary goal to promote the interests of residential telecommunications customers, released several studies examining long distance markets. TRAC notes that in the markets where Section 271 authority has been granted to Regional Bell Operating Companies (RBOCs), consumers have benefited by the increase in local and long distance services offered by competitors. TRAC's New Jersey study estimates that New Jersey residential consumers could save between \$22 million and \$167 million on long distance costs after one year of increased competition.

The Commenters, again, assert that the Verizon's New Jersey long distance application should be approved. DOJ and the BPU have stated that all of the requirements to provide long distance service have been met. The Commission's denial of this application would be a set back of the goals of the 1996 Act and will result in consumers not receiving the benefits of

competition that the Act envisioned. The Commission must look at the pro-competitive benefits of Verizon's New Jersey long distance application and quickly approve it.

The Commenters, respectfully, urge the Commission to approve Verizon's New Jersey 271 application.

Respectfully submitted,

A handwritten signature in cursive script that reads "Shaun D. Wiggins". The signature is written in dark ink on a light-colored background.

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